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Summary: The paper analyses the situation on Ukrainian stock market in the context of economic crisis. The work provides research on possible ways of investment in Ukrainian economy, particularly in such fields as building and agriculture; analysis of possible involvement of new potential investors (in case of China and Arab countries); description of activities taken by the State concerning improvement of investment attractiveness of Ukraine.

Key words: investment attractiveness, investors, stock market, ways of investment.

Анотація: Ця стаття присвячена розгляду положення, що склалося внаслідок економічної кризи на фондовому ринку України. Структура роботи передбачає розгляд можливих напрямів інвестування в українську економіку, зокрема в такі галузі, як будівництво і сільське господарство, аналіз можливості залучення нових потенційних інвесторів (на прикладі Китаю і арабських країн). Також проаналізовані заходи, здійснювані державою по підвищенню інвестиційної привабливості України.

Ключові слова: інвестиційна привабливість, інвестори, напрями інвестування, фондовий ринок.

Аннотация: Данная статья посвящена рассмотрению сложившегося вследствие экономического кризиса положения на фондовом рынке Украины. Структура работы предусматривает рассмотрение возможных направлений инвестирования в украинскую экономику, в частности в такие области, как строительство и сельское хозяйство, анализ возможности привлечения новых потенциальных инвесторов (на примере Китая и арабских стран). Также проанализированы мероприятия, осуществляемые государством по повышению инвестиционной привлекательности Украины.

Ключевые слова: инвестиционная привлекательность, инвесторы, направления инвестирования, фондовый рынок.

Introduction. Due to consequences of the World financial crises (2008-2009), a lot of money resources of non-residents left the stock market of Ukraine. It resulted in reduction of average daily trade volume at Ukrainian Stock Exchange to the level of \$3 mln., that is three times lower as compared to the beginning of 2011. Such a limited nature of Ukrainian Stock market can be accounted for by lack of integration into the World Stock Market, impossibility of providing adequate systematic control of money flows from and to the State, some difficulties in creation of international capital, when having sufficient money supplies, an investor can invest them in both domestic and foreign securities. Moreover, activity of insiders (ones who have access to official (inside) information about the company and its securities, which is not for general use) draws foreign investors away from investing in Ukrainian companies. The low liquidity of Ukrainian Stock market can be accounted for by economic instability; necessity to be supported by government structure; administrative pressure on business; deficient development of market institutions in the sphere of securities, land, real estate; lack of stimuli and mechanisms to engage investments [1, p. 191].

Ukrainian companies suffer the lack of national money sources, that's why holding Euro 2012 is expected to bring great boom under conditions of the crisis. Investment attractiveness of Ukraine is explained by market of 45 mln. consumers, advantageous geographical location, fertile agriculture land. Hence, the increase in turnover of Ukrainian Stock market is observed at the moment. At least, it was included in the list of international rating FTSE which makes international investors take decisions concerning ways of investing in different countries [5, p. 35].

Main body. Analyzing statistical data on ways of foreign investments in Ukrainian economy, it should be pointed out that they totaled \$48,5 bln. as of the 1st of October, 2011. That is 8.2 % higher than investment volume at the beginning of 2011. Investments were received from 128 countries. More than a half of the total volume of investments is related to investors from three countries: Cyprus (24.9 %), Germany (15.0 %), the Netherlands (10.1%). Austria, Russia, the UK, France, Sweden, the USA are among the top 10 biggest investors in Ukrainian economy. The biggest part of investments is aimed at the financial sector (33.4%) and industry (31.0%) [7].

Considering the forthcoming Euro 2012, the most profitable ways of investing are building of transport facilities, institutions of trade, hotels and sports facilities. Generally speaking, foreign companies are oriented toward building hotels, trade areas, trade and entertainment centers. When talking about the most important investors of today, China and Arab countries come to the foreground.

China's interest in Ukraine is determined by an opportunity to obtain technologies that permit cutting down its differences with Western countries. For instance, Ukraine and China have already signed an agreement on assistance in creation of E.O. Paton Electric Welding Institute. Ukrainian technologies work in Chinese aviation projects, machinery, chemical industry. China acts as an investor by developing plans concerning building of a railway Kyiv-International Airport *Borispil*, other projects at the stage of their economic and technical design, reconstruction of the sports complex "Olympiisky", and other projects due to inability of Ukrainian companies to achieve this on their own. Besides, China's experience in preparation and realization of the Olympic Games may provide practical assistance in realization of some ideas in Ukraine.

Discussing possible ways of engaging Chinese investors in agriculture, it is important to emphasize that China with its big population demands huge amounts of import of grain crops. So, first priority joint projects may include building stock breeding complexes, creation of joint ventures specializing in cultivation of soya beans and wheat to be further market abroad, construction of modern elevators and corn houses, hot houses to cultivate vegetables, and wholesale vegetable markets in Ukraine.

The growing demand for building various facilities in the view of the championship raises investment attractiveness of Ukraine for Arabic investors too. There are already two companies from Kuwait (Kuwait Energy and Global Investment House), several Libyan firms in Ukrainian market. Moreover, Libyan Investment Authority has already invested \$100 000 in building in Ukraine [2].

Bringing Arabic investors in Ukrainian agriculture faces some problems. One of them is absence of land market. Arabic businessmen prefer signing long-term leasing contracts for big areas, or buy them, which is restricted by moratorium on land selling. Arabic business is oriented toward concrete large-scale investment projects which are void of clearness in Ukraine and are based on calls for action only. The biggest Arabic companies cannot develop their business in Ukraine as a result of absence of legal guarantees and disadvantageous tax system.

The approach of Euro 2012 predetermines need for providing appropriate medical services. The market of private medical institutions is rapidly developing in Ukraine, because the percentage of state medical services is reducing and the country suffers from lack of medical institutions capable of rendering high-quality medical service at reasonable price. Foreign investors are interested in already well-developed chain companies, specialization of clinics in one direction. However, here arise such problems as bureaucratic ways of doing business, corruption, illegal business, deficit in high skilled specialists.

A potential investor wants to know what positions on the market companies are interesting in take and which of them have “blue chips”. “Blue chips” are the most popular stocks, included in market business. According to the Ukrainian Stock Exchange, the most rapidly growing “blue chips” in 2011 are stocks of the following companies [3]:

Table 1. The most growing “blue chips”

Company	Activity	The growth of stock since 2010	Reasons for growth
Ukrnafta	Extraction of oil and gas	+361%	Payment of dividends, achieved compromise between stockholders in questions of management and company's development.
JSC “Motor Sich”	Production of engines for aircraft	+119%	Improvement of financial results, tax benefits, market monopoly in the CIS, signing new contracts.
Centrenergo	Energy production	+67%	Growth of prices for electro-energy, the approach to company privatization.
Reiffeisen Bank	Bank services	+59%	The final stage of optimization (staff and branch reduction), expectation of profit.
Unicreditbank	Bank services	+53%	Financial stability, inflows of deposits.

At present, some steps are being made to increase investment attractiveness of Ukraine due to approach of Euro 2012. On April 19, 2007 a law on organization and holding Euro 2012 was adopted. Ukrainian law system introduces special tax breaks due to holding and preparation for the championship Euro 2012. They cover [4]:

- goods, produced in Ukraine or out of it, which do not meet technical requirements of world standards and requirements of international sports organizations (entrance duty privileges);
- income (profit), received by UEFA according to the results of their activity in Ukraine, including remuneration from selling marketing rights (income tax privilege);

- royalties paid to individuals for their work and (or) service, accomplished and given on the territory of Ukraine or beyond its borders during preparation for and holding Euro 2012;
- payment received irretrievably or retrievably from the state-maintained enterprise “Financing of Infrastructural Projects” by legal bodies responsible for carrying out tasks defined by the State Program within preparation for and holding Euro 2012;
- objects which are to be imported in Ukraine before September 1, 2012 according to UEFA customs regime of import.

As it is mentioned in reference sources, the most important aims of a possible reform of Ukrainian investment climate should be considered the following:

- drastic changes in administration procedure;
- using restricted state resources as a means for partnership with private capital;
- creation of infrastructure to engage investments;
- creation of conditions for drastic growth of investments.

It is expected that the consequences of these actions will bring general improvement of investment climate and form investment projects according to international standards.

Moreover, there is a special service called «InvestUkraine», which eliminates obstacles an investor faces to engage €2 bln of additional investments and 10 new large investors. This service provides investors with information, analytical, legal services, support in organization of visits, choice of investment areas, a helping hand in interaction with local authorities and post-investing support [8].

Conclusion. Under the impact of the existing economic situation and urgent need for improvement of investment climate, holding Euro 2012 can improve the image of Ukraine. However, it is still necessary to continue taking further actions in developing investment infrastructure, spreading information about investment opportunities in Ukraine, taking part in international investment projects, seminars, exhibitions. With much hope for increase of investment flows laid on Euro 2012, it is important to remember that restoring the economy, resumption of trust for the country's bank system, growth in crediting and depositing, increase in investment demand in the future are economic priorities of the state, which first of all depend on the government policy.

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